

**Item 1**

**PAINTER, SMITH & AMBERG INC.**  
**1200 California Street, Suite 220**  
**Redlands, CA 92374-2948**  
**(909) 557-2800**  
**(800) 888-5771**  
**FAX #: (909) 557-1778**

Charles E. Painter II, President  
David E. Smith, Executive Vice President  
[invest@psainv.com](mailto:invest@psainv.com)  
November 14, 2016

This brochure provides information about the qualifications and business practices of PAINTER, SMITH & AMBERG INC. If you have any questions about the contents of this brochure, please contact us at (909) 557-2800, email address [invest@psainv.com](mailto:invest@psainv.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about PAINTER, SMITH & AMBERG INC. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).  
Broker/Dealer File #10865

## **ITEM 2: MATERIAL CHANGES**

Material changes in the **PAINTER, SMITH & AMBERG INC.** Advisory Programs since March 31, 2010:

- Effective May 2011, the Asset Advisor required minimum account value is being reduced to \$25,000. This change impacts new accounts only. For accounts opened prior to May 2011, the required minimum account value remains \$50,000.

## TABLE OF CONTENTS

**(Item 3)**

	Page
Item 1: Cover Page	1
Item 2: Material Changes	2
Item 3: Table of Contents	3
Item 4: Advisory Business	4
Item 5: Fees and Compensation	8
Item 6: Performance-Based Fees & Side-By-Side Management	17
Item 7: Types of Clients	18
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	19
Item 9: Disciplinary Information	20
Item 10: Other Financial Industry Activities & Affiliations	20
Item 11: Code of Ethics, Participation or Interest to <i>Client</i> Transactions & Personal Trading	20
Item 12: Brokerage Practices	20
Item 13: Review of Accounts	20
Item 14: <i>Client</i> Referrals & Other Compensation	21
Item 15: <i>Custody</i>	21
Item 16: Investment Discretion	21
Item 17: Voting <i>Client</i> Securities	21
Item 18: Financial Information	21
Item 19: Requirements for State-Registered Advisers	21

### **PAINTER, SMITH & AMBERG INC. Fee Schedules:**

Asset Advisor	8
Private Adviser Network	9
Custom Choice	10
Wells Fargo Compass Advisory Program	12
Allocation Advisors Program	13
FundSource Program	13

## **ITEM 4: Advisory Business**

**PAINTER, SMITH & AMBERG INC.** has been in business since 1982.

Principal owners are:

**Charles E. Painter, President**

**Dob 07/14/1952, B.B.A. Business Administration, University of Miami. CFO of the firm since July 1, 1996, President since October 1, 2006.**

**David E. Smith, Executive Vice President**

**DOB 12/18/1957, B.S. Management Science, California State Polytechnic University, Pomona. Vice President of the firm since September 1, 1996.**

### **Services**

**PAINTER, SMITH & AMBERG INC.** has entered into an agreement with Wells Fargo Advisors (“WFA”), pursuant to which WFA provides advisory and/or other services with respect to the Programs. Clients of investment advisory accounts described herein are clients of **PAINTER, SMITH & AMBERG INC.** **PAINTER, SMITH & AMBERG INC.** is not related to or affiliated with WFA or Wells Fargo Clearing Services, LLC (the “Clearing Agent”). **WELLS FARGO CLEARING SERVICES, LLC** will maintain custody of client assets. Clearing Agent qualifies as a “qualified custodian” as described by Rule 206(4)-2 of the Investment Advisers Act. WFA and Clearing Agent each reserves the right to reject and not provide services to any client or with respect to any client account for any reason.

WFA provides advisory and other services to **PAINTER, SMITH & AMBERG INC.** with respect to the following programs: Wells Fargo Compass Advisory, Allocation Advisors, FundSource, and Pathways. Please review the appropriate WFA Disclosure Documents for a complete description of each program.

WFA does not provide advisory services to **PAINTER, SMITH & AMBERG INC.** with respect to **PAINTER, SMITH & AMBERG INC.** Asset Advisor, Private Advisor Network and CustomChoice. While **PAINTER, SMITH & AMBERG INC.** is the sponsor of these advisory programs, WFA provides certain non-advisory services which enable **PAINTER, SMITH & AMBERG INC.** to offer these programs.

### **Asset Advisor**

Asset Advisor is a non-discretionary, client directed investment program in which your Financial Advisor may provide a broad range of investment recommendations based on your investment objectives, financial circumstances and risk tolerance. You have the option of accepting these recommendations or selecting different investments for your account.

Most types of securities are eligible for purchase in an Asset Advisor account including, but not limited to, common and preferred stocks, exchange-traded funds, closed end funds, fee-based unit investment trusts, corporate and government bonds, certificates of deposit, options, structured products, certain mutual funds whose shares can be purchased at net asset value, and certain wrap class alternative investments, such as hedge funds and managed futures funds. Collectively, these are referred to as "Program Assets."

Hedge funds and managed futures are not suitable for all investors. Hedge funds are complex investment vehicles that often use leverage and other speculative investment practices, such as short sales, options, derivatives, futures and illiquid investments that may increase the risk of investment loss. Managed futures are speculative investments that are subject to a significant amount of risk. This Disclosure Document is not a solicitation, recommendation or invitation to invest in alternative investments and is intended solely to disclose the availability of alternative investments within Asset Advisor.

Certain assets, such as commodity futures contracts, options on such contracts, annuities, limited partnership interests, and mutual funds that cannot be purchased at net asset value are not eligible as Program Assets,

and are referred to collectively as “Excluded Assets.” You may purchase or sell Excluded Assets in your account, but these transactions will incur commissions or charges.

While new-issue CDs are an eligible Program Asset, the yield of new-issue CDs takes into account a sales concession in order to compensate the brokerage firms that sell the CDs. For certain advisory accounts, the underwriter retains this sales concession. Although **PAINTER, SMITH & AMBERG INC.** does not receive the sales concession, it has an impact on the overall yield paid to you. Since we charge an advisory fee on all eligible assets within an advisory Account, you are effectively charged both the sales concession (retained by the underwriter) and the advisory fee on the CD. These charges reduce the overall yield on the CD and, in some cases, this may result in a negative yield. You should be aware that you could obtain the same CDs without being subject to the advisory fee if you purchase it in a non-advisory brokerage Account.

An Asset Advisor account may not be used for market timing strategies or activities for mutual funds or any extreme trading activity that **PAINTER, SMITH & AMBERG INC.** or Clearing Agent, in its sole discretion, deems detrimental to the interest of average fund shareholders or contrary to the policies or interest of mutual fund companies with whom **PAINTER, SMITH & AMBERG INC.**, or Clearing Agent maintains relationships. **PAINTER, SMITH & AMBERG INC.** or Clearing Agent, in its sole direction, or by direction of the fund company, reserves the right to reject any transactions or to assess a redemption fee for any partial or full liquidation execution in which the account trading appears to be inconsistent with the fund’s prospectus. Furthermore, **PAINTER, SMITH & AMBERG INC.** will cooperate, when asked by a fund company, to aid in its attempt to identify and impede the efforts of Financial Advisors and investors engaging in market timing or extreme trading activity. If the fund company notifies **PAINTER, SMITH & AMBERG INC.** to reject or cancel a trade for any reason, **PAINTER, SMITH & AMBERG INC.** reserves the right to cancel such trade without prior notice to Client. **PAINTER, SMITH & AMBERG INC.** will not be held accountable for any losses resulting from market timing activities or any action taken under its market timing policies. In addition, the frequency of mutual fund transactions and exchanges is subject to any limits established by the application mutual funds and **PAINTER, SMITH & AMBERG INC.**

## Private Advisor Network

Through Private Advisor Network (“PAN”), **PAINTER, SMITH & AMBERG INC.** will assist you in identifying an investment adviser to perform investment advisory services with respect to your assets. **PAINTER, SMITH & AMBERG INC.**'s services may include preparing an investment policy statement in connection with anticipated advisory needs, matching personal and financial data provided by you with a roster of investment advisers, periodic evaluation and comparison of account performance, and continuing investment performance and objectives.

**PAINTER, SMITH & AMBERG INC.** will provide information on investment advisers that appears to meet your needs. Screening criteria may include the investment adviser's past record, management style, location, size of account, etc. With the assistance of an **PAINTER, SMITH & AMBERG INC.** Financial Advisor, you may then choose one or more investment advisers to manage your assets.

All accounts are managed by the independent investment adviser(s) selected by you. Neither **PAINTER, SMITH & AMBERG INC.** nor WFA has discretionary trading authority with respect to such accounts. Information collected by **PAINTER, SMITH & AMBERG INC.** regarding PAN advisers is believed to be reliable and accurate but **PAINTER, SMITH & AMBERG INC.** does not necessarily independently verify it on all occasions. **PAINTER, SMITH & AMBERG INC.** does not assume responsibility for the conduct of investment advisers that clients select, including their performance or compliance with laws or regulations.

You will also be provided with a quarterly portfolio performance monitor. **PAINTER, SMITH & AMBERG INC.** or its agent will furnish you and/or **PAINTER, SMITH & AMBERG INC.** with a statistical presentation of the performance of your account.

## CustomChoice

CustomChoice is a non-discretionary investment advisory program designed to help you allocate your assets among open-end mutual funds in accordance with your individual investment goals, objectives, and

expectations. Based on the investment objectives and risk tolerance reported in your Account Profile, your Financial Advisor will recommend an appropriate mix of various open-end mutual funds and money market funds.

You have the option of accepting any of our recommendations, or selecting an alternative combination of funds. We will implement your investment decisions, but will not have investment discretion over your account, except for the limited discretion to rebalance your target asset allocation, if you authorize us to do so. Over time, as changes occur in the financial markets and/or your investment objectives and circumstances, we may recommend changes in your portfolio. In making these recommendations, we will take the updated information in your Account Profile into account. You are advised that your decisions relating to investments in mutual funds may have tax consequences that should be discussed with your tax advisor. In order to maintain your portfolio in conformance with your target asset allocation, you may authorize us to rebalance your Account using an automated rebalance trading system. You may select a quarterly, semi-annual or annual rebalance option.

### **Item 5: Fees and Compensation**

All of the program accounts described in this brochure are charged a fee on eligible assets that covers advisory, execution, custodial, and reporting services. The Fee Schedules for each program are set forth below.

#### **Asset Advisor Fee Schedule**

Asset Advisor accounts are charged an all-inclusive fee that covers advisory, execution, custodial, and reporting services. Billed quarterly in advance, the standard Asset Advisor fee schedule is based on program eligible assets:

<b>Value of Account</b>	<b>Annualized Fee</b>
First \$250,000	2.00 %
Next \$750,000	1.50 %
Over \$1,000,000	1.25 %

## Private Advisor Network Fee Schedule

You have the choice of compensating **PAINTER, SMITH & AMBERG INC.** in one of two ways for Network services:

**Fee Schedule** – You pay a fee for both Network services and execution services, with no separate charge being imposed by us for brokerage commissions on agency trades or markups or markdowns on principal transactions. Billed quarterly in advance, the Private Advisor Network fee schedule is negotiable based on the following schedule:

<b>Total Account Value</b>	<b>Annualized Fee</b>
First \$250,000	2.00 %
Next \$750,000	1.50 %
Over \$1,000,000	1.25 %

**Execution Schedule** - You pay for Network services by paying commissions for each transaction in the account at our normal commission rate for such agency transactions and at the normal markup or markdown imposed on client accounts for principal transactions. You will also be subject to any other fees associated with our standard brokerage accounts, including postage and handling fees, transfer taxes, exchange fees (among which SEC fees may be included), and any other fees required by law.

Neither the Execution Schedule nor Fee Schedule includes the investment adviser fees of the third-party investment manager. You pay for the services of the investment adviser separately. You authorize us to pay the separate investment advisory management fee invoiced by the adviser by debiting the client account accordingly. It is your responsibility to determine if any such invoice from the investment adviser is proper or if the amount of fees charged is accurate. You may revoke **WELLS FARGO CLEARING SERVICES, LLC's** authorization to pay the investment adviser fee at any time by written notice.

## CustomChoice Fee Schedule

CustomChoice accounts are charged an all-inclusive fee on eligible mutual funds that covers advisory, execution, custodial, and reporting services. Billed quarterly in advance, the standard CustomChoice fee schedule is based on program eligible mutual funds:

<b>Total Account Value</b>	<b>Annualized Fee</b>
First \$250,000	1.75 %
Next \$750,000	1.50 %
Over \$1,000,000	1.15 %

You should be aware that program fees charged may be higher or lower than those otherwise available if you were to select a separate brokerage service and negotiate commissions in the absence of the extra advisory service provided. Our fee schedules may be subject to negotiation depending upon a range of factors including, but not limited to account sizes and overall range of services provided.

You should consider the value of these advisory services when making such comparisons. The combination of custodial, advisory and brokerage services may not be available separately or may require multiple accounts, documentation and fees. You should also consider the amount of anticipated trading activity when selecting among the programs and assessing the overall cost. Advisory programs typically assume a normal amount of trading activity and, therefore, under particular circumstances, prolonged periods of inactivity or asset allocations with significant fixed income or cash weightings may result in higher fees than if commissions were paid separately for each transaction.

A portion of the fees or commissions charged for the programs described here may be paid to **PAINTER, SMITH & AMBERG INC.** Financial Advisors in connection with the introduction of accounts as well as for providing client-related services within the programs. This compensation may be more or less than a Financial Advisor would receive if you paid separately for investment advice, brokerage, and other services, and may vary, depending on the program or services offered.

Unless agreed upon otherwise, you authorize **WELLS FARGO CLEARING SERVICES, LLC**, to deduct a quarterly fee calculated at the rate indicated in the Fee Schedule for that program from your account, in advance. For the purposes of calculating program fees, “total account value” shall mean the sum of the long and short market value of all securities and mutual funds, if applicable. In valuing the account, we will use the closing prices or, if not available, the lowest published “bid-price” and if none exist, the last reported transaction if occurring within the last 45 days. For mutual funds, we use the fund's most current net asset value, as computed by the fund company. In so doing, we will use information provided by quotation services believed to be reliable.

The initial fee is calculated as of the date that the account is accepted into the program and covers the remainder of the calendar quarter. Subsequent fees will be determined for calendar quarter periods and shall be calculated on the value of the account on the last business day of the prior calendar quarter.

No fee adjustment will be made during any fee period for appreciation or depreciation in the value of the assets in your account during that period. Your account will be charged or refunded a prorated quarterly fee on any net additions or net withdrawals in the account during a month. Fees will be charged or refunded if the net addition or net withdrawal would generate a fee or refund of at least \$40 for that quarter. Fees will be assessed in the month following the net addition or net withdrawal. Fees are based on the value of the assets in your Account, and **PAINTER, SMITH & AMBERG INC.** shall not be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of your funds.

Whenever there are changes to the fee schedule, the schedule charges previously in effect shall continue until the next billing cycle.

## PAINTER, SMITH & AMBERG INC. FEE SCHEDULES

### WELLS FARGO COMPASS ADVISORY

Please see the WFA Separately Managed Accounts Wrap Fee Brochure for a description of the services and additional fee information applicable to Wells Fargo Compass Advisory accounts.

Listed below are **PAINTER, SMITH & AMBERG INC.**'s standard fees for this program, which are negotiable and may differ from those described in the WFA Separately Managed Accounts Wrap Fee Brochure. The minimum account size for the portfolios offered in the Wells Fargo Compass Advisory Program range from \$50,000 to \$250,000, depending on the portfolio.

#### **Individual, Asset Allocation and ETF Strategies**

<b>Total Account Value</b>	<b>Annualized Fee</b>
First \$250,000	2.00%
Next \$750,000	1.50 %
Over \$1,000,000	1.25 %

#### **Fixed Income Strategies**

<b>Total Account Value</b>	<b>Annualized Fee</b>
First \$250,000	1.50 %
Next \$750,000	1.25 %
Over \$1,000,000	1.00 %

## ALLOCATION ADVISORS

Please see the WFA Separately Managed Accounts Wrap Fee Brochure for a description of the services and additional fee information applicable to Allocation Advisors Advisory accounts.

Listed below are **PAINTER, SMITH & AMBERG INC.**'s standard fees for this program, which are negotiable and may differ from those described in the WFA Separately Managed Accounts Wrap Fee Brochure. The minimum account size for the portfolios offered in the Allocation Advisors Program range from \$25,000 to \$50,000, depending on the portfolio.

<b>Tactical Portfolios</b>	
<b>Total Account Value</b>	<b>Annualized Fee</b>
First \$250,000	2.00 %
Next \$750,000	1.50 %
Next \$1,000,000	1.25 %

<b>Strategic Portfolios</b>	
<b>Total Account Value</b>	<b>Annualized Fee</b>
First \$250,000	1.75 %
Next \$750,000	1.00 %
Next \$1,000,000	0.75 %

## FUNDSOURCE

Please see the WFA Mutual Fund Advisory Wrap Fee Brochure for a description of the services and additional fee information applicable to FundSource accounts.

Listed below are **PAINTER, SMITH & AMBERG INC.**'s standard fees for this program, which are negotiable and may differ from those described in the WFA Mutual Fund Advisory Wrap Fee Brochure. The minimum account size for FundSource is \$25,000.

<b>Total Account Value</b>	<b>Annualized Fee</b>
First \$250,000	1.75 %
Next \$750,000	1.50 %
Next \$4,000,000	1.15 %

## **Other Account Fees**

The fee does not include certain dealer markups or markdowns, odd lot differentials, transfer taxes, exchange fees, execution fees (foreign and/or domestic) when applicable, and any other fees required by law. Cash balances in an Account may be invested in money market mutual funds including, as permitted by law, those with which we have agreements to provide advisory, administrative, distribution, and other services and for which we receive compensation for the services rendered. In a low interest rate environment, the yield that you earn on cash and cash alternatives, including cash sweep funds, CDs and money market funds may not offset advisory fees. In some instances, the effective yield of the investment may in fact be negative.

Non-brokerage-related fees, such as IRA fees, are not included in the wrap fee and may be charged to your account separately. As more fully described in the fee schedules above, the fees you are charged may be different, depending on the asset type invested by the account.

Your Financial Advisor may suggest that you use other products and services that **PAINTER, SMITH & AMBERG INC.** offers, but that are not available through the program you select (“Excluded Assets”). Excluded Assets are not charged a program fee and are not considered a part of the program or program services. We generally recommend that you hold these Excluded Assets in a separate brokerage account. If an excluded fund purchased for or transferred into your account later becomes eligible for the program, program fees will apply to that fund and it may become subject to the rebalance trading system. You will incur any usual and customary brokerage charges and fees imposed on transactions in Excluded Assets which may include (i) any dealer markups and odd lot differentials and transfer taxes; (ii) charges imposed by broker-dealers and

custodians other than WFA and its affiliates and fees for other products and services that we and our affiliates may offer; (iii) offering discounts, commissions and related fees in connection with underwritten public offerings of securities; (iv) margin interest and operational fees and charges; (v) IRA fees; and (vi) any redemption fees, exchange fees and or similar fees (among which SEC fees are included) imposed in connection with mutual fund transactions whereby **PAINTER, SMITH & AMBERG INC.** or your Financial Advisor may receive additional compensation on these Excluded Assets.

### **Costs of Investing in Mutual Funds**

In addition to program fees, as a shareholder of a money market, mutual fund or closed-end fund, you will bear a proportionate share of the fund's expenses, including investment management fees that are paid to the fund's investment adviser, who may be an affiliate of ours. **PAINTER, SMITH & AMBERG INC.** may receive fees from these mutual funds or closed-end funds. For more information about these funds, refer to their prospectuses.

You should be aware that you may invest in Money Market Funds or Mutual Funds directly without incurring the fee charged for participation in a program. In addition, certain institutional investors may directly purchase a class of shares of certain money market funds or funds that do not charge shareholder services, sub-accounting or other related fees. If you do, however, you will not receive the various program services provided under the program and some mutual funds may impose a sales load on direct investments. You will receive a prospectus for each money market and mutual fund purchased, as required by securities regulations.

**PAINTER, SMITH & AMBERG INC.** or our service providers may collect such fees directly or indirectly from some or all of the mutual funds in which you invest, and we may pay any such fees it receives to **PAINTER, SMITH & AMBERG INC.** Financial Advisors. The amount of the fees we or your Financial Advisor receive will vary, depending on the percentage paid pursuant to a fund's Rule 12b-1 plan.

Certain Funds make multiple no-load, institutional, advisory, or load-waived share classes available for purchase through investment advisory programs. These share classes may be available only through **PAINTER,**

**SMITH & AMBERG INC.** investment advisory programs and have different and lower shareholder servicing, sub-accounting, investment management and 12b-1 fees and charges from other shares classes offered by those Funds. As a result, some clients may have purchased these lower-cost institutional share classes, while others may have purchased a non-institutional share class.

## **Account Termination**

Your account agreements may be terminated by either party at any time upon notice. If you terminate your Agreement, a pro rata refund will be made, less reasonable start-up costs. You have the right, within five (5) days of execution, to terminate the Client Agreement without penalty. In the event of cancellation of Client Agreements, fees previously paid pursuant to the fee schedule will be refunded on a pro rata basis, as of the date notice of such cancellation is received by the non-canceling party, less reasonable start-up costs.

If you choose to terminate your agreement with any of our investment advisory programs, we can liquidate your account if you instruct us to do so. If so instructed we will liquidate your account in an orderly and efficient manner. We do not charge for such redemption; however, you should be aware that certain mutual funds impose redemption fees as stated in their fund prospectus. You should also keep in mind that the decision to liquidate security issues or mutual funds may result in tax consequences that should be discussed with your tax advisor.

We will not be responsible for market fluctuations in your account from the time of notice until complete liquidation. All efforts will be made to process the termination in an efficient and timely manner. Factors that may affect the orderly and efficient liquidation of an account might be size and types of issues, liquidity of the markets, and market makers' abilities. Should the necessary securities' markets be unavailable and trading suspended, efforts to trade will be done as soon as possible following their reopening. Due to the administrative processing time needed to terminate an advisory account, termination orders cannot be considered market orders. It may take several business days under normal market conditions to process your request.

If a program account is terminated, but you maintain a brokerage account with us, the money market fund used in a “sweep” arrangement may be changed and/or your shares may be exchanged for shares of another series of the same fund. You will bear a proportionate share of the money market fund's fees and expenses. You are subject to the customary brokerage charges for any securities positions sold in your account after the termination of program services.

### **Item 6: Performance-Based Fees & Side-By-Side Management**

**PAINTER, SMITH & AMBERG INC.** does not accept any performance-based fees.

## ITEM 7: TYPES OF CLIENTS & ACCOUNT REQUIREMENTS

### Account Requirements

Program Name	Minimum Account Size
Network	\$100,000 subject to Manager's minimum
Asset Advisor	\$50,000
Wells Fargo Compass Advisory	
Blue Chip	\$50,000
Value Investors	\$50,000
Managed DSIP	\$50,000
Conservative Growth	\$250,000
Moderate Growth	\$250,000
Long Term Growth	\$150,000
Conservative Growth & Income	\$250,000
Moderate Growth & Income	\$250,000
Long-Term Growth & Income	\$250,000
Conservative Income ETF	\$50,000
Conservative Growth & Income ETF	\$50,000
Conservative Growth ETF	\$50,000
Moderate Income ETF	\$50,000
Moderate Growth & Income ETF	\$50,000
Moderate Growth ETF	\$50,000
Long Term Income ETF	\$50,000
Long Term Growth & Income ETF	\$50,000
Long Term Growth	\$50,000
Taxable Fixed Income	\$250,000
Intermediate Taxable Fixed Income	\$250,000
Tax-Exempt Fixed Income	\$250,000
Allocation Advisors	
Strategic Portfolios	\$25,000
Tactical Portfolios – Cyclical	\$50,000
Custom Choice	\$25,000
FundSource	\$25,000

<b>Pathways</b>	<b>\$25,000</b>

## **Types of Clients**

**PAINTER, SMITH & AMBERG INC.** provides the advisory services described in this brochure to individuals, pension or profit sharing plans, trusts, estates or charitable organizations, corporations or other business entities, governmental entities and educational institutions.

### **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

**We use Wells Fargo Advisors or Private Adviser Network (offered through our clearing firm). We recommend advisory programs based on clients' profiles.**

## **CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

You must complete an Account Profile with the assistance of their Financial Advisor. The Account Profile outlines your investment objectives, financial circumstances, risk tolerance and any restrictions you may wish to impose on your investment activities. We will notify you in writing at least annually to update your Account Profile and indicate if there have been any changes in your financial situation, investment objectives or instructions. You agree to inform us in writing of any material change in your financial circumstances that might affect the manner in which your assets should be invested. Your Financial Advisor will be reasonably available to you for consultation on these matters, and will act on any changes in your Profile deemed to be material or appropriate as soon as practical after we become aware of the change.

## **CLIENT CONTACT WITH PORTFOLIO MANAGERS**

Your contact for information and consultation regarding your program accounts is your Financial Advisor. In certain instances, your Financial Advisor may coordinate a response with the Portfolio Manager (if applicable) or arrange for you to consult directly with the Portfolio Manager.

### **Item 9: Disciplinary Information**

*None.*

### **Item 10: Other Financial Industry Activities and Affiliations**

*We are a registered broker dealer.*

*The members of the investment committee are:*

**Charles E. Painter, President**  
Dob 07/14/1952, B.B.A. Business Administration, University of Miami. CFO of the firm since July 1, 1996, President since October 1, 2006.

**David E. Smith, Executive Vice President**  
DOB 12/18/1957, B.S. Management Science, California State Polytechnic University, Pomona. Vice President of the firm since September 1, 1996.

*As a broker-dealer, we transact buy and sell orders for our clients.*

### **Item 11: Code of Ethics, Participation or Interest to Client Transactions & Personal Trading**

*We have no participation or interest in advisory client transactions.*

### **Item 12: Brokerage Practices**

*We have no soft dollar or directed brokerage arrangements.*

### **Item 13: Review of Accounts**

*Accounts are reviewed at inception and when changes are made in the investment profile or adviser program.*

#### **Item 14: Client Referrals and Other Compensation**

*We do not pay or receive finder's fees nor do we participate in any directed brokerage arrangements.*

#### **Item 15: Custody**

*Wells Fargo Clearing Services, LLC will maintain custody of clients' assets.*

#### **Item 16: Investment Discretion**

*All discretion is assigned to Wells Fargo Advisors or to the selected private network advisor.*

#### **Item 17: Voting Client Securities**

*We do not have, nor will we accept, client authority to vote client securities.*

#### **Item 18: Financial Information**

*Not applicable.*

#### **ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

*We are a registered broker-dealer. Approximately 85% of the time is allocated to that activity. Our investment advisory activity is limited to selecting programs offered through our clearing firm.*